Form (2)

Sr. No. 9651-E

Dated. 26.8.201

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 600 /2013

Date 26 August 2013

The Myanmar Investment Commission issues this Permit under Section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. YONGQI PIAO

(b) Citizenship CHINESE

(c) Address UNIT 1305,13/F, PROSPERITY PLACE, 6 SHING YIP STREET, KWUN TONG, KOWLOON, HONG KONG

(d) Name and Address of principal organization NISHIKU MANUFACTURING CORPORATION LTD., UNIT NO.1305, 13/F, PROSPERITY PLACE, NO.6 SHING YIP STREET, KWUN TONG, KOWLOON, HONG KONG

(e) Place of incorporation HONG KONG

(f) Type of business in which investment is to be MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. (17), DE PAE YIN WUN DAUK U MYAE STREET, HLAING THAYAR INDUSTRIAL ZONE(1), HLAING THAYAR TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US $ 10.966MILLION

(i) Period for bringing in foreign capital WITHIN (1) YEAR FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 10.966MILLION

(k) Construction period 1 YEAR

(l) Permitted duration of investment 30 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of the economic organization to be formed in Myanmar SOUTH BAY MANUFACTURING COMPANY LIMITED

Winshein

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
စာအမှတ် ၉၆၅၁-၀
ရက်စွဲ ၂၆-၈-၂၀၁၃

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၆၀၀/၂၀၁၃ 　　　　　　　　　　　　　　　　　　၂၀၁၃ ခုနှစ်၊ ဩဂုတ်လ ၂၆ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. YONGQI PIAO

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ UNIT 1305,13/F, PROSPERITY PLACE, 6 SHING YIP STREET, KWUN TONG, KOWLOON, HONG KONG

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ NISHIKU MANUFACTURING CORPORATION LTD., UNIT NO.1305, 13/F, PROSPERITY PLACE, NO.6 SHING YIP STREET, KWUN TONG, KOWLOON, HONG KONG

(င) ဖွဲ့စည်းရာအရပ် HONG KONG

(စ) ရင်းနှီးမြှုပ်နှံသည့် လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ်(၁၇)၊ ဒီပဲယင်းဝန်ထောက်ဦးမြလမ်း၊ လှိုင်သာယာစက်မှုဇုန်(၁)၊ လှိုင်သာယာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၁၀.၉၆၆ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး (၁)နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၀.၉၆၆သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ (၁)နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း (၃၀)နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် SOUTH BAY MANUFACTURING COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-831/2013(9651- E)
Date : 26 August 2013

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject: Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis" under the name of "South Bay Manufacturing Company Limited"

Reference: South Bay Manufacturing Company Limited Letter dated(7-6-2013)

1. The Myanmar Investment Commission, at its meeting (20/2013) held on (7-8-2013) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis" under the name of "South Bay Manufacturing Company Limited" submitted by Nishiku Manufacturing Corporation Limited from Hong Kong as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30(thirty) years for commencing from the date of signing of the Lease Agreement for land and buildings and extendable for another 10(Ten) years two terms period by mutual agreement between U Maung Maung and South Bay Manufacturing Company Limited. At the end of the Lease Agreement for land and buildings, South Bay Manufacturing Company Limited shall transfer the leased land and buildings to the lessor within 3(three) months in good condition, ground damages having been refilled or repaired.

4. The annual rent for the land and buildings shall be US $ 55,475.00 (United States Dollar fifty-five thousand, four hundred and seventy-five only) calculated at the rate of US $ 5.50per square metre per year of the land and buildings measuring 10,086.68 square metres(2.493acres).

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per section 27(a) (h) (i) and (k) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section-27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section-27(h), exemption or relief from customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for used during the period of construction of business;

(c) As per section-27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section- 27(k), exemption of relief from commercial tax on the goods produced for export.

6. South Bay Manufacturing Company Limited shall have to sign the Lease Agreement for Land and Buildings with U Maung Maung. After signing such Agreement, (5) copies shall have to be forwarded to the Commission.

7. South Bay Manufacturing Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. South Bay Manufacturing Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. South Bay Manufacturing Company Limited has to abide by Chapter X, Rules 58 and 59 of the Foreign Investment Rules for construction works.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be granted more than one except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63of the Foreign Investment Rules, if the South Bay Manufacturing Company Limited cannot construct completely in time the construction period or extension period, the Commision will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI,

section 24 and section 25 of the Republic of the Union of Myanmar Foreign Investment Law and the South Bay Manufacturing Company Limited has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

14. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under section 2(i) of the said Law, other than foreign currency.

15. South Bay Manufacturing Company Limited brings in foreign capital defined under section 2(i) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. South Bay Manufacturing Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII Rule 145 of the Foreign Investment Rules.

17. South Bay Manufacturing Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. South Bay Manufacturing Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per comments made by Ministry of Environmental Conservation and Forestry in which to conduct Initial Environmental Examination (IEE) Process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and

monitoring significant environmental impacts resulting from the implementation and operation of proposed project or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

19. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall be made either out of the local sales in kyat currency and US $ or from export earning (CMP charges) of South Bay Manufacturing Company Limited.

20. South Bay Manufacturing Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rules 79 and 80 of the Foreign Investment Rules.

Win Shein

(Win Shein)
Chairman

South Bay Manufacturing Company Limited

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance
5. Ministry of Commerce
6. Ministry of Industry
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Chairman, CMP Enterprises Supervision Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Industrial Supervision and Inspection
16. Director General , Department of Human Settlements & Housing Development
17. Director General, Customs Department
18. Director General, Internal Revenue Department

19. Director General, Directorate of Trade
20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Director General, Department of Environmental Conservation
23. Managing Director, Myanma Foreign Trade Bank
24. Managing Director, Myanma Investment and Commercial Bank
25. Managing Director, Myanma Insurance
26. Managing Director, Myanma Electric Power Enterprise
27. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)